

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 042313  
ORIGIN COME-00

INFO OCT-01 EA-10 NEA-10 ISO-00 EB-08 TRSE-00 OMB-01  
AID-05 /035 R

DRAFTED BY COM/BED/OED/MEPD/JNRANDOLPH, JR./CF  
APPROVED BY EB/OCA/CD:REDAY  
COM/BED/OED/MEPD/SMCONGER, DIR.  
COM/BED/OIM/SA/D.EARLE (INFO)  
NEA/RA:DMORRISON (INFO)  
-----065309 171756Z /43

R 170238Z PEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY KATHMANDU  
INFO AMEMBASSY MANILA  
AMEMBASSY SINGAPORE  
AMCONSUL SYDNEY

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MANILA FOR USADB

E.O. 11652: N/A

TAGS: BENC, NP, RP, SN, AS

SUBJECT: MAJOR PROJECT: HETAUDA CEMENT PLANT

REF: KATHMANDU 0711

1. COMMERCE MAJOR PROJECTS DISCUSSED HETAUDA CEMENT WITH  
DANIEL INTERNATIONAL V-P EUROPE AND MIDDLE EAST ROGER  
SCOVIL. SCOVIL HAD RECEIVED BID DOCUMENTS WEEK OR SO  
AGO BUT HAD ALREADY DECIDED NOT TO BID. DANIEL INTER-  
NATIONAL HAD BEEN APPROACHED TO PREQUALIFY ON THE PROJECT  
BY AN UNNAMED AMERICAN CONSULTANT WITH WHICH DANIEL HAD  
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BEEN ASSOCIATED ON CEMENT PLANT IN SOUTH CAROLINA.  
CONSULTANT TOLD DANIEL PROJECT WOULD BE LET ON COST  
REIMBURSABLE BASIS. SCOVIL SAYS BID DOCUMENTS DESCRIBE  
CONTRACT AS COST REIMBURSABLE BUT THEN GO ON TO DESCRIBE  
MAXIMUM PRICE BID REQUIRED WITH NO REIMBURSEMENT FOR  
OVERAGE AND EXORBITANT PENALTY CLAUSES. DANIEL BOARD

OF DIRECTORS' POLICY PROHIBITS FIRM FROM BIDDING LUMP  
SUM OR FACING HEAVY PENALTY CLAUSE IN COUNTRIES WHERE  
DANIEL HAS NEVER WORKED BEFORE. SCOVIL AGREED WITH OUR  
COMMENT THAT COST REIMBURSEABLE CONTRACT WOULD BE  
UNUSUAL FOR ADB-FINANCED PROJECT BUT ADDED THAT DETAILED

SPECS CALLED FOR UNIT PRICE BID EACH ITEM AND WOULD  
COST 15-20,000 DOLLARS TO BID. SCOVIL WAS NOT AWARE  
OF THE UNUSUALLY LARGE NUMBER OF SHORTLISTED FIRMS  
AND ADB ADDITIONS TO LIST PER REFTTEL. SCOVIL ALSO  
TOOK OPPORTUNITY TO EXPLAIN SECTION 911 PROVISIONS  
TAXING FOREIGN SOURCE INCOME AND LIVING COSTS WOULD  
HAVE REQUIRED FIRM USE BRITISH ENGINEERS AS IT HAS  
BEEN FORCED TO DO ON SAUDI'S NEW JIDDA AIRPORT.

2. INTERESTED IN MORRISON KNUDSEN AND KAISER INTENTIONS  
ON BIDDING PROJECT. VANCE

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE042313  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BED/OED/MEPD/JN RANDOLPH, JR./CF  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780074-0473  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** d5499cce-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 KATHMANDU 711  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3456602  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 970815  
**Subject:** MAJOR PROJECT: HETAUDA CEMENT PLANT  
**TAGS:** BENC, AS, NP, RP, SN, BENC  
**To:** KATHMANDU  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/d5499cce-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014